

HOUSE BILL 2888

By Turner M

AN ACT to amend Tennessee Code Annotated, Title 7;
Title 66, Chapter 28 and Title 68, Chapter 221,
relative to water service security deposits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 28, Part 3, is amended by adding the following as a new section thereto:

§ 66-28-306.

(a) Any landlord of a unit of residential property that is supplied with water service by a public utility, and which is separately metered for purposes of determining the water service fee for such unit based on consumption, shall obtain a deposit for the first and last month's water service fee prior to permitting the tenant to take occupancy. The amount of the water service fee security deposit required by this section shall be in an amount equal to two (2) times the average amount of the monthly water service fees that were charged to any occupant of the property during the most recent twelve-month period that the property was continually occupied.

(b) All landlords of residential property who are required to secure deposits for water service prior to occupancy are required to deposit all such deposits in an account used only for the purposes described in this section in any bank or other lending institution subject to regulation by the state of Tennessee or any agency of the United States government. Prospective tenants shall be informed of the location of the separate account.

(c) Not less than thirty-five (35) and not more than forty-five (45) business days after the termination of occupancy the landlord shall inquire of the public utility that provides water service to the residential property whether the tenant has paid all water service fees for the property that accrued during the period of the tenant's occupancy. If the tenant has not paid all water service fees for the property that accrued during the period of the tenant's occupancy, then the landlord shall pay from the water service fee deposit to the public utility such amount as is necessary to satisfy any outstanding balance and return any unexpended amount of the deposit to the tenant. If the tenant has paid all water service fees for the property that accrued during the period of the tenant's occupancy, then the landlord shall return the full amount of the deposit to the tenant.

(d) A tenant who disputes the accuracy of a final water service fee balance that is claimed to be outstanding pursuant to subsection (c) may bring an action for recovery of the deposit in a circuit or general sessions court of competent jurisdiction of this state.

(e) For purposes of this section, "public utility" includes, but is not limited to, services that are provided by a municipal, county or metropolitan government.

(f) This section shall apply only in any county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census.

SECTION 2. This act shall take effect July 1, 2010, the public welfare requiring it and shall apply to residential rental agreements that are entered into on or after such date.